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1968 ACREAGE- MARKETING GUIDES



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CUMULATIVE INDEX



SUMMER AND FALL POTATOES

U.S. DEPARTMENT OF AGRICULTURE • CONSUMER AND MARKETING SERVICE

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PREFACE

The U.S. market requirement for food potatoes is increasing but at a relatively slow rate. Typically, the annual rate of growth is 3 percent or less. However, there is no assurance that total potato use will continue to increase--it could stabilize or show a temporary decline. Nevertheless, potato growers, as a group, sometimes boost production substantially. In 1965, for example, the total crop production was up 21 percent compared with 1964.

Production of 1967 fall crop potatoes was 15 percent above the 1962-66 average, and growers' prices in the present season have been almost one-fifth below average. When potato crops are extremely large, potato prices decline to low levels, and growers' incomes are in peril.

The initial effort to match potato production with market requirements should be made at planting time. The acreage-marketing guides for potatoes are recommendations to help growers match production with requirements. The guide recommendations, by seasons and for each producing area, are the estimates of acreage required which, with average yields, will produce a crop of the right volume so that growers will receive the best return for their crop.

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1968 ACREAGE-MARKETING GUIDES SUMMER AND FALL POTATOES

The basic objective of the acreage-marketing guides program is to assist growers in their acreage planning so that the resulting production will be in balance with market requirements. The performance of every potato producer has an influence on the ultimate market situation for his commodity. Therefore, to improve prospects for a successful season, each grower should adjust his own acreage in accord with the individual State guide. For example, when it is recommended that the State's 1968 acreage of fall potatoes be decreased by 5 percent from the acreage planted in 1967, each grower of potatoes in the State should decrease his plantings by 5 percent.

I. DEMAND FOR POTATOES

Growth in the American economy, which picked up during the second half of 1967, is continuing during 1968. In its 85th month, this has been the longest expansion in U.S. economic history.

Demand for goods and service both in the consumer and governmental sectors is expected to continue rising. Capital outlays by businessmen are expected to increase slightly and further recovery in homebuilding is anticipated unless credit conditions are tight. The increase in aggregate economic activity in 1968 may exceed the 1967 rise but is not expected to match the large 1966 gain. However, the general price level may rise further in the coming year. The increase could be as large as this year and perhaps larger, depending importantly on wage settlements, productivity gains and possible changes in tax rates.

Advancing output, employment and wage rates will lead to increases in consumer disposable income. Although an increase in tax liabilities would moderate the rise in disposable income, further gains in consumer spending for food and other goods and services are expected.

The demand for 1968 summer-fall potatoes is not likely to be substantially different from last season. Market strength may be aided directly by our growing population and indirectly by the uptrend in net disposable income of consumers.

Individual consumers, however, want about the same quantity of fresh table potatoes from one month to the next. This means that total sales of fresh potatoes will not change greatly with a moderate change in price but possibly only at a greatly reduced price.

But consumer demand for processed potato products may be influenced importantly by moderate changes in retail prices.

Per capita use of fresh potatoes is expected to continue to trend downward slightly. At the same time, the overall per capita use of processed potatoes will likely continue to move upward. The aggregate per capita use of potatoes is expected to hold at approximately 110 pounds, fresh-weight equivalent.

Prices received by farmers for 1968 summer and fall potatoes will depend largely on the total production. In addition, the market for early summer potatoes will be responsive to weather patterns, to the potential overlap of late spring potato sales, as well as to the progress of crop development in late summer areas.

During the late summer market tone will be responsive also to weather factors, rate of progress in early summer crop shipments and to the expected date of initial harvest in fall crop areas.

II. 1968 RECOMMENDATIONS

Although total potato utilization has increased significantly during the past decade (see utilization data, page 39), the increase has been centered on potatoes required for the manufacture of processed food products. The market for fresh table potatoes has declined, both on total tonnage and per capita bases. Therefore, a potato producing area depending largely on the fresh table market outlet should "hold the line" on acreages in 1968. Those areas that ship a part of their crop to table markets and a part to chippers can expect a firming of demand for only that part of their crop needed by chippers. By and large, however, it does not require much potato acreage to provide the increment in production necessary to match the growing need of potato chippers.

In producing areas such as Idaho, Washington, the Red River Valley and Maine which have significant intrastate potato food processing plant capacities, growers should try to match their local crop output to processors needs as well as to the somewhat static needs in the interstate table market. Growers should keep in mind the statistical certainty that although potato needs of food processors will likely increase quantitatively, the percentage rate of increase will decline over the long term.

Early Summer Crop Recommendations: The total early summer acreage guide is 83,080 acres, or 5 percent less than the 1967 aggregate of 87,700. Significant reductions in early summer plantings in 1968 are recommended in Texas and on the Eastern Shore of Virginia. In Texas, early summer acreage has trended upward, with plantings in 1967 almost double the 1962 total. Virginia plantings in 1967 were increased for the third successive year.

With average yields on the recommended acreage, probable early summer production in 1968 would be 12.8 million hundredweight or 7 percent less than the relatively large 1967 crop of 13.8 million. Additional guide details are provided in Table 1 and Table 2.

Late Summer Crop Recommendations: The total late summer acreage guide in 1968 is 121,420 acres or 4 percent less than the 1967 aggregate of 126,600 acres. Substantial reductions in acreage are suggested for New Mexico, Washington, and California. Acreage in New Mexico was increased one-sixth in 1967. Yield per acre in both Washington and California was down sharply in 1967 compared with 1966. The guide assumes a recovery in average yield in 1968. Therefore, in Washington and California if yield is normal, less acreage will be required in 1968 for an adequate crop.

Table 1.--Potatoes, Summer and Fall Crops and Summary:
1968 Acreage Guides

Season	1968	1968 guide	Season	1968	1968 guide
And	acreage	percentage	and	acreage	percentage
State	guide	1967 planted	State	guide	1967 planted
	acres	percent		acres	percent
<u>Early Summer:</u>			<u>Fall:</u>		
Missouri	2,700	0	Maine	151,340	- 6
Kansas	1,600	0	New Hampshire	1,200	0
Delaware	8,465	- 2	Vermont	1,600	0
Maryland	1,900	0	Massachusetts	6,600	0
Virginia			Rhode Island	5,700	- 5
Eastern Shore	24,540	- 9	Connecticut	6,400	0
Other	2,800	0	New York, L.I.	31,580	- 1
North Carolina	2,000	0	New York, Upstate	39,110	- 1
Kentucky	3,800	0	Pennsylvania	38,610	- 1
Tennessee	4,600	0	8 Eastern-Fall	282,140	- 4
Alabama	5,815	- 3			
Texas	18,060	-10	Ohio	12,400	0
California	6,800	0	Indiana	7,030	- 1
Total E. Summer	83,080	- 5	Michigan	34,700	0
			Wisconsin	40,000	0
<u>Late Summer:</u>			Minnesota	101,920	- 2
New York, L.I.	6,530	- 1	North Dakota	114,950	- 5
New Jersey	16,000	0	South Dakota	5,610	- 8
Ohio	3,500	0	Nebraska	8,100	0
Indiana	1,190	- 1	8 Central-Fall	324,710	- 3
Illinois	2,450	- 2			
Michigan	11,300	0	Montana	8,060	- 4
Wisconsin	18,000	0	Idaho-10 S.W. co.	29,450	- 5
Minnesota	7,250	- 2	Idaho-Other co.	262,200	- 5
Iowa	2,900	0	Wyoming	3,400	0
Nebraska	2,900	0	Colorado	34,160	- 1
Maryland	800	0	Utah	7,800	0
Virginia	1,200	0	Nevada	700	0
West Virginia	5,090	- 4	Washington	36,550	-15
North Carolina	1,000	0	Oregon-Malheur Co.	17,850	-15
Colorado	12,080	- 1	Oregon-Other Co.	26,390	- 9
New Mexico	2,380	-15	California	29,340	-10
Washington	17,850	-15	9 Western-Fall	455,900	- 6
California	9,000	-10			
Total L. Summer	121,420	- 4	Total Fall	1,062,750	- 5
			Total Winter	23,460	- 5
			Total Spring	138,450	- 2
			Total Summer	204,500	- 5
			Total Fall	1,062,750	- 5
			U.S.	1,429,160	- 4

Table 2.--Potatoes, Summer and Fall Crops and Summary:
1968 Marketing Guides

Season and State	: : :	Marketing guide 1968	: : :	Season and State	: : :	Marketing Guide 1968
		<u>1,000 cwt.</u>				<u>1,000 cwt.</u>
<u>Early Summer:</u>			<u>Fall:</u>			
Missouri		310	Maine		37,381	
Kansas		134	New Hampshire		253	
Delaware		1,591	Vermont		301	
Maryland		306	Massachusetts		1,267	
Virginia:			Rhode Island		1,186	
Eastern Shore		3,141	Connecticut		1,408	
Other		230	New York, Long Island		8,148	
North Carolina		218	New York, Upstate		8,290	
Kentucky		266	Pennsylvania		<u>7,413</u>	
Tennessee		373	8 Eastern-Fall		65,647	
Alabama		698				
Texas		3,256	Ohio		2,505	
California		<u>2,326</u>	Indiana		1,863	
Total E. Summer		12,849	Michigan		6,940	
			Wisconsin		8,400	
<u>Late Summer:</u>			Minnesota		11,313	
New York, L.I.		1,686	North Dakota		13,564	
New Jersey		3,648	South Dakota		595	
Ohio		686	Nebraska		1,539	
Indiana		169	8 Central-Fall		46,719	
Illinois		345				
Michigan		1,514	Montana		1,347	
Wisconsin		3,780	Idaho - 10 S.W. Co.		8,717	
Minnesota		1,523	Idaho - Other Co.		50,080	
Iowa		478	Wyoming		503	
Nebraska		461	Colorado		8,505	
Maryland		101	Utah		1,217	
Virginia		90	Nevada		144	
West Virginia		331	Washington		12,537	
North Carolina		115	Oregon-Malheur Co.		4,766	
Colorado		2,343	Oregon-Other Co.		6,307	
New Mexico		400	California		<u>7,863</u>	
Washington		6,123	9 Western-Fall		101,986	
California		<u>3,015</u>				
Total L. Summer		26,808	<u>Total Fall</u>		<u>214,352</u>	
			Total Winter		4,559	
			Total Spring		27,613	
			Total Summer		39,657	
			<u>Total Fall</u>		<u>214,352</u>	
			<u>U.S.</u>		<u>286,181</u>	

The total late summer marketing guide in 1968 is 26.8 million hundredweight. This is 6 percent less than the 1967 output. On Long Island, and in Wisconsin and Washington where harvesting is continuous from late summer through fall, it is anticipated that an average percentage of the total crop will be harvested during the late summer.

Fall Crop Recommendations: The total fall crop acreage guide in 1968 is 1,062,750 acres or 5 percent less than the 1967 aggregate of 1,114,000 acres. The total acreage guide for the 8 eastern fall States is 4 percent less than the 1967 total plantings. An overall reduction of 3 percent in acreage is recommended for the 8 central fall States, and a 6-percent decrease is suggested for the total western fall acreage.

The guide recommendation for 1968 calls for a reduction of 51,250 acres in total fall plantings. This includes a decrease of 31,500 acres in the western fall groups of States. Potato acreage in the West in 1967 was 21 percent above the 1961-65 average.

With average yield on the recommended acreages, total fall production in 1968 would be 214.4 million hundredweight, or 8 percent less than the 1967 surplus crop. The fall marketing guide for 1968 compared with 1967 recommends a decrease of 2.1 million hundredweight in production in the 8 eastern fall States, and 2.3 million in the 8 central fall States. In the 9 western fall States, the marketing guide is 13.3 million hundredweight less than the 1967 record output.

III. SEASONAL HIGHLIGHTS

Early Summer: The total early summer acreage has held within a relatively narrow range since 1962. The 1967 total plantings of 87,700 acres were slightly above the USDA acreage guide. Average yield per acre for this seasonal crop, which has been trending upward, was a record in 1967, at 159 hundredweight. The 1967 total early summer production, at 13.8 million hundredweight, was slightly above a year earlier. (See Figure 1.)

Most of the early summer crop is sold in table market outlets. But a significant quantity is also sold to potato chippers. And about 5 percent is used on farms where grown for food. Some of the early summer crop is exported to Canada.

Prices received by farmers for early summer potatoes have shown sharp changes in successive years. Early summer prices respond not only to changes in early summer production, but also to the overlap from late spring marketings, as well as timing of harvest in late summer areas.

A delay in start of harvest in several eastern and midwestern late summer producing areas in 1967 helped to improve demand for early summer potatoes. Growers in Virginia, Delaware and Texas reported relatively high prices last season. The U.S. average farm price during July, 1967 was \$2.54 per hundredweight versus \$1.77 in July, 1966.

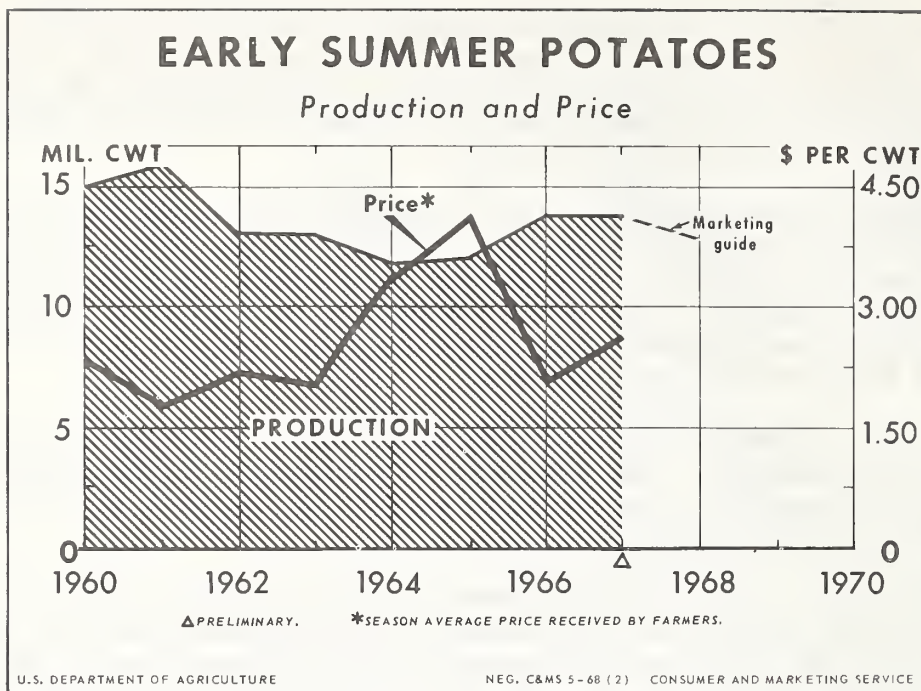


Figure 1

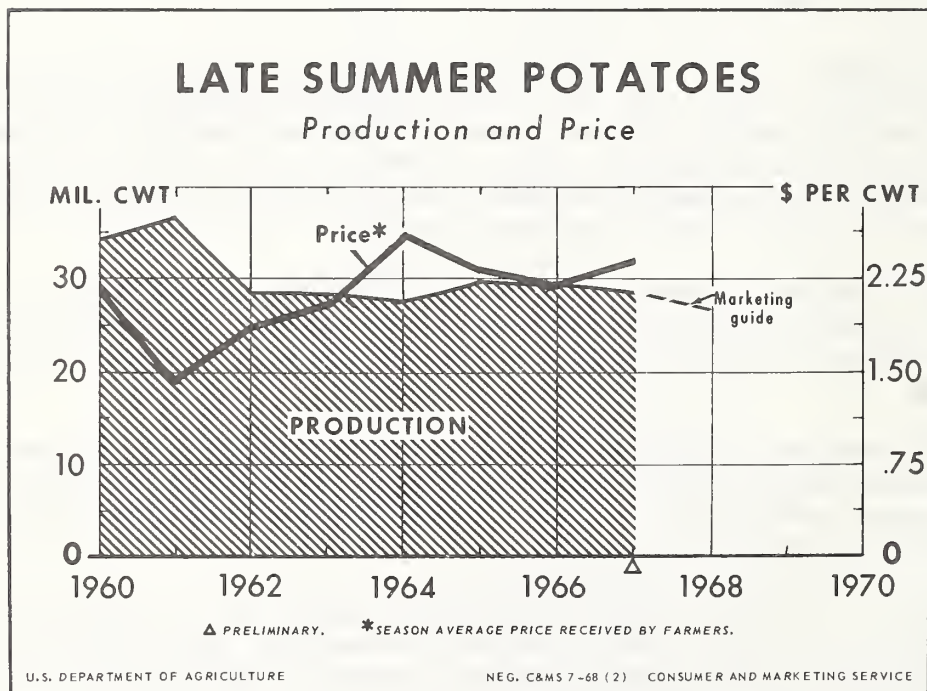


Figure 2

In 1968, with competition from late summer producing areas likely to be stronger than in 1967, a moderate reduction in early summer potato production would aid good market balance.

Late Summer: The total potato acreage planted for late summer harvest has shown a moderate downward trend, with a record-low total reported in 1967. This was due partly to a smaller than usual amount of Long Island potato acreage being harvested during the late summer. However, a majority of the late summer States reduced acreage. The average yield per acre for the late summer season has moved upward sharply, and the 1967 average yield of 228 hundredweight was a seasonal record. Total production, at 28.5 million hundredweight, was down moderately compared with 1966. (See Figure 2.)

Most of the late summer crop is sold in table market outlets and to potato chippers. Some of the crop is used by intrastate food processors. A small quantity is used for food in potato farm households. And less than one percent is used for seed. Feed, shrinkage and loss combined account for approximately 5 percent of the total output.

Prices received for late summer potatoes respond significantly to timing of late summer harvest in major producing areas, as well as to progress of crop development in fall crop areas. Short-term price increases may result in the late summer when harvest is interrupted or delayed by rain.

The 1967 harvest on Long Island and in New Jersey, Wisconsin and Minnesota began later than usual. Weather also was adverse for crop development in Colorado, Washington and California. Bunching in late summer harvest in 1967 kept prices under pressure. Prices showed a sharp downward trend during August and into September.

Potato acreage and production in 1967 in most late summer areas was in line with market needs. As a result, the acreage recommendation for 1968 calls for a significant reduction in only 3 States--New Mexico, Washington and California.

Fall Crop: Total fall acreage in 1967 was a record and 9 percent above the USDA acreage guide. Acreage loss and/or abandonment in fall crop areas last season was below average. The fall crop yield in 1967 was near record at 213 hundredweight per acre. Total fall production (see Figure 3) was 232 million hundredweight, and was two percent above 1966, and 17 percent above the 1961-65 average.

Although the 1966 fall production was only slightly below the 1967 total, the marketable quantity of 1966 fall crop potatoes was reduced by approximately four percent following frost-damage at harvest time.

The fall potato crop is utilized in several outlets. These include the fresh table markets and potato chip outlets, as well as the freezer and dehydrator, and certified seed outlets. Both fresh and processed potatoes move into foreign markets. But foreign trade accounts for only a small amount of the domestic supply (see Figure 33).

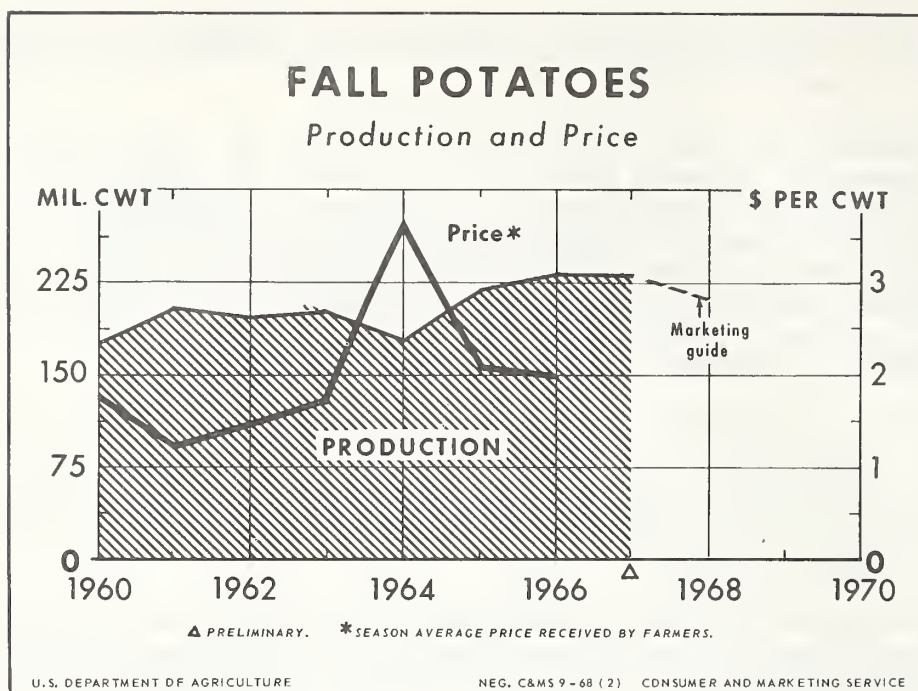


Figure 3

Table 3.--Potatoes, Fall Crop: Selected data, 1966-67 crops

Fall crop; region	Acreage		Yield		
	Planted	harvested	per	Production	Farm price
	1,000	1,000	acre	Million	
	<u>acres</u>	<u>acres</u>	<u>Cwt.</u>	<u>cwt.</u>	<u>\$ per cwt.</u>
8 Eastern States:					
1967	293.2	286.2	237	67.7	N.A.
1966	287.7	287.7	226	65.0	2.14
8 Central States:					
1967	333.4	321.5	153	49.1	N.A.
1966	323.5	309.8	153	47.5	2.05
9 Western States:					
1967	487.4	482.6	239	115.3	N.A.
1966	482.5	471.5	245	115.3	1.87
U.S. Fall Crop:					
1967	1,114.0	1,090.3	213	232.1	N.A.
1966	1,093.7	1,069.0	213	227.8	1.99

N.A. - Not available.

Prices received for fall crop potatoes are dependent on the general level of varietal production, and resulting marketable quantities. In addition, prices reflect the relative scarcity or plentifulness of tubers of certain diameter (for round varieties) or weight (for long varieties). For some potatoes used for food processing, prices are determined in pre-season contractual agreements.

The 1967 total fall production, which was 14 percent above the USDA marketing guide, was well in excess of normal market needs. Also, an above average carryover of late summer potatoes for fall marketing accentuated the market imbalance.

Total disappearance of 1967 fall storage potatoes to December 1, 1967 was 10 percent less than in the like period of 1966 when loss through shrinkage and decay was exceptionally heavy. Although total disappearance during December, 1967, was the second highest volume on record, potato stocks on January 1, 1968, were a record, and 11 percent above the previous record a year earlier. On February 1, 1968, total stocks were 9 percent more than the previous year.

Demand for tablestock potatoes during the fall and winter of 1967-68 was somewhat apathetic. For example, total unloads of fresh potatoes in 41 cities during November and December, 1967 were three percent less than in 1966. In addition, the rate of utilization of potatoes by local freezers during the fall-winter season was moderately less than in 1966-67.

Potato prices declined about 33 percent during the last half of 1967. Prices continued low during January and February, 1968. In one area, shipping point prices for round varieties declined to approximately one cent per pound. And several areas reported prices under two cents. Prices for long varieties were mostly 2.5 cents or more.

On January 8, 1968, USDA initiated two programs to strengthen grower prices: (1) a payment program to encourage diversion of potatoes to starch, flour, and feed; and (2) a limited program to buy potatoes for distribution to schools and other outlets. A third program, to buy dehydrated potatoes for needy families, was announced on February 1, 1968.

On February 8, 1968, payment rates under the diversion program were increased because of the slow movement of potatoes from heavy storage holdings and because prices were continuing to decline.

Most of the major producing States are now participating in the diversion program and grower prices have stabilized.

High yields were partly responsible for the record 1967 fall storage crop, but late summer and fall combined plantings, which exceeded acreage guide recommendations by 75,000 acres, are believed to have caused more than half the oversupply.

IV. REGIONAL FALL CROPS

The 8 eastern fall States were the source of 29 percent of the 1967 fall crop. Maine, with 56 percent of the total regional crop, continued to dominate in eastern potato production (see Figure 4). The eastern crop consists mostly of round white varieties. But the Russet Burbank variety is grown in commercial volume in Maine and on Long Island.

In 1967, 21 percent of the total fall crop was produced in the 8 central fall States. The Red River Valley area of Minnesota and North Dakota produced 51 percent of the crop in the central region (see Figure 5). The Red River Valley and Wisconsin produce both round whites and round red varieties with the latter State also producing a significant quantity of Russet Burbanks. Production in other central States consists mostly of round white varieties.

As indicated above, the eastern and central producing regions each has a dominate potato area. In the western fall region, Idaho dominates, and in 1967, accounted for 55 percent of the total regional crop (see Figure 6). Washington's fall potato production has doubled over the past several years, and in 1967 the State accounted for 13 percent of the western fall crop.

Potato production in fall producing areas covered by Federal marketing agreement and orders is shown in Table 4, page 14. And the number of potato farms is shown on page 15.

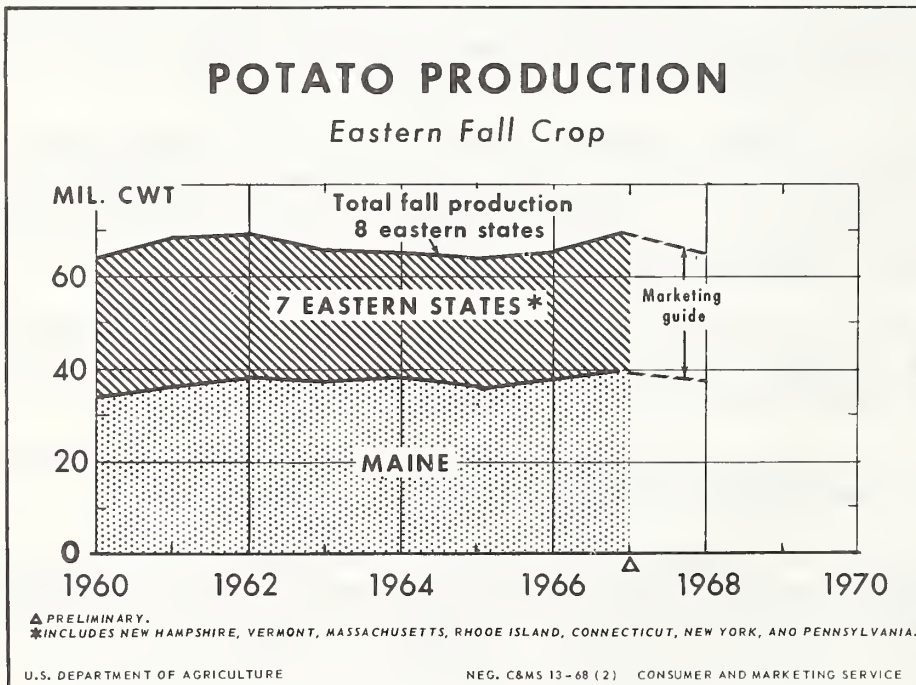


Figure 4

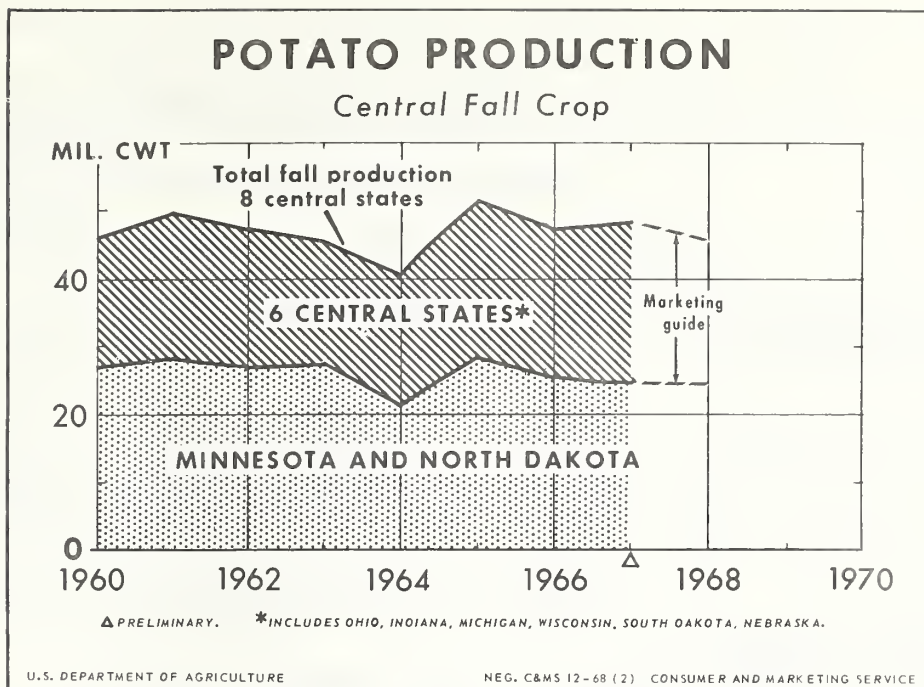


Figure 5

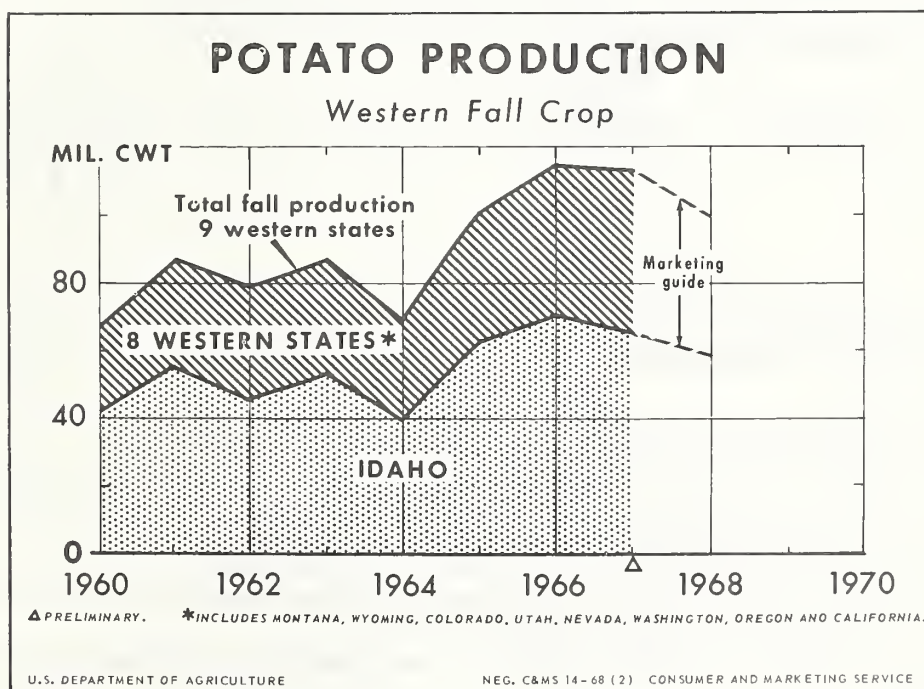


Figure 6

Table 4.--Potatoes: Production in areas with active and inactive Federal Marketing Agreement and Orders, 1967 Crop
(Basis 1967 Annual Summary, Crop Production)

Item	:	Seasonal production, 1967			:	Total as a percentage of U.S. production 1/
	:				:	
	:	Late	:	Fall	:	
	:	Summer	:	Total	:	

----- 1,000 cwt. -----

Active Federal Orders:

Idaho-Malheur Co., Oregon	-----	69,742	69,742	22.8
Colorado	2,100	9,690	11,790	3.9
Oregon-N. California 2/	-----	11,418	11,418	3.7
Washington	6,825	15,265	22,090	7.2
Maine	-----	38,160	38,160	12.5
No. Carolina-Virginia 3/	-----	-----	5,198	1.7
Total active orders	8,925	144,275	158,398	51.8

Inactive Federal Orders:

New England except Maine 4/		4,208	4,208	1.4
South Dakota, eastern		478	478	.2
Total inactive orders		4,686	4,686	1.5

Seasonal production (1,000 cwt.):

Fall Crop	232,074
Late summer crop	28,491
Combined late summer and fall	260,535
Other seasons	45,371
U.S. total	305,906

Percentage of seasonal crops covered by active orders:

Fall	62.2 percent
Late Summer Crop	31.3 percent
Combined late summer and fall	60.8 percent
U.S. total crop	51.8 percent

1/ Total U.S. production was 305.9 million hundredweight.

2/ Includes Modoc and Siskiyou Counties in California.

3/ Includes the spring crop in northeastern North Carolina and the early summer crop on Virginia's Eastern Shore.

4/ Includes Connecticut, Massachusetts, New Hampshire, Rhode Island and Vermont.

Table 5.--Potatoes: Number of farms reporting Irish potatoes harvested for home use or sale with comparisons, 1964 Census of Agriculture

State	Number of farms in 1964 as percentage of 1959			Farms reporting in 1964 as percentage of 1959			Number of farms in 1964 as percentage of 1959
	Number		Percent	Number		Percent	
	1959	1964		1959	1964		
Alabama	21,199	5,473	26	Montana	3,686	1,841	50
Alaska	149	105	70	Nebraska	8,187	3,867	47
Arizona	87	57	66	Nevada	133	69	52
Arkansas	28,735	11,654	41	New Hampshire	1,526	679	44
California	1,151	864	75	New Jersey	692	433	63
Colorado	1,712	1,040	61	New Mexico	77	67	87
Connecticut	1,069	387	36	New York	8,840	4,763	54
Delaware	694	169	24	North Carolina	72,712	30,784	42
Florida	1,203	839	70	North Dakota	6,801	5,872	86
Georgia	9,720	3,179	33	Ohio	11,728	8,967	76
Hawaii	79	31	39	Oklahoma	13,735	5,434	40
Idaho	6,261	4,434	71	Oregon	2,432	1,870	77
Illinois	21,743	5,954	27	Pennsylvania	13,385	8,011	60
Indiana	13,854	7,241	52	Rhode Island	152	89	59
Iowa	18,170	8,655	48	South Carolina	5,461	1,584	29
Kansas	13,610	5,935	44	South Dakota	1,960	1,130	58
Kentucky	73,851	37,848	51	Tennessee	64,939	23,789	37
Louisiana	9,310	2,977	32	Texas	18,687	8,470	45
Maine	5,818	4,052	70	Utah	1,568	930	59
Maryland	4,091	1,967	48	Vermont	2,801	1,212	43
Massachusetts	1,270	648	51	Virginia	47,190	23,937	51
Michigan	12,183	5,492	45	Washington	3,681	2,139	58
Minnesota	21,471	7,840	37	West Virginia	27,370	17,296	63
Mississippi	27,857	6,483	23	Wisconsin	19,853	8,226	41
Missouri	51,671	25,005	48	Wyoming	299	220	74
				U. S.	684,853	310,008	45

Source: U.S. Bureau of the Census, Census of Agriculture, 1964

V. STATE SUMMARIES

Idaho: Idaho continues as the top State in potato production with 21 percent of the 1967 U.S. total crop, including almost 28 percent of the fall crop. Idaho's potato acreage has trended upward erratically. The 1967 plantings at 307,000 acres, were moderately below the 1966 record total of 320,000. Potato acreage in Idaho has doubled since the mid-1950's.

Yield per acre has shown a sharp change in successive years. The 1967 yield at 210 hundredweight was moderately below the 1966 record. Idaho production in 1967 was 63.9 million hundredweight, or 9 percent below the 1966 State record.

Most of the Idaho crop consists of the Russet Burbank variety. Idaho is the leading source of processed potato products. And Idaho ships large quantities of fresh tablestock into practically all markets in the Nation. In the 1966 crop season, Idaho processed about 32 million hundredweight for food, equivalent to 46 percent of the State's total crop. In addition, starch and flour processors used an additional 8 percent of the crop. The remainder, 46 percent, was sold for tablestock and seed or disposed of on farms where grown.

Potato prices in Idaho have ranged widely in successive years. For the three crop years, 1965 through 1967, average potato price at the farm has been under two cents per pound. Farm value of potato sales in Idaho peaked in 1964 at \$117 million, but declined to \$107 million in 1965, and \$90 million in 1966.

The 1968 acreage guide for Idaho is a planted acreage 5 percent less than in 1967. Such an acreage, with a 1964-67 average yield, would result in a 1968 production moderately less than in 1967. Idaho crop details are shown in Figures 7 through 13.

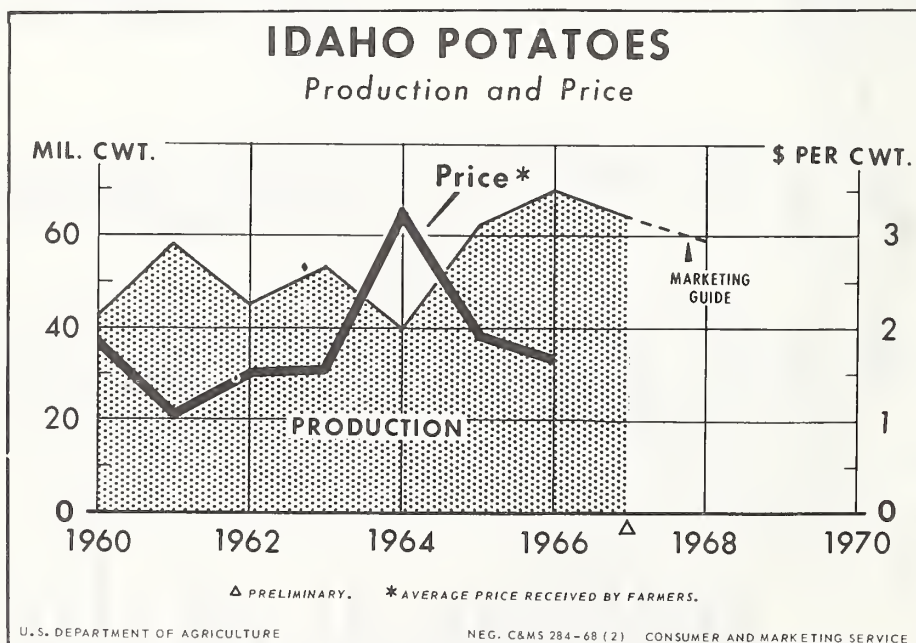


Figure 7

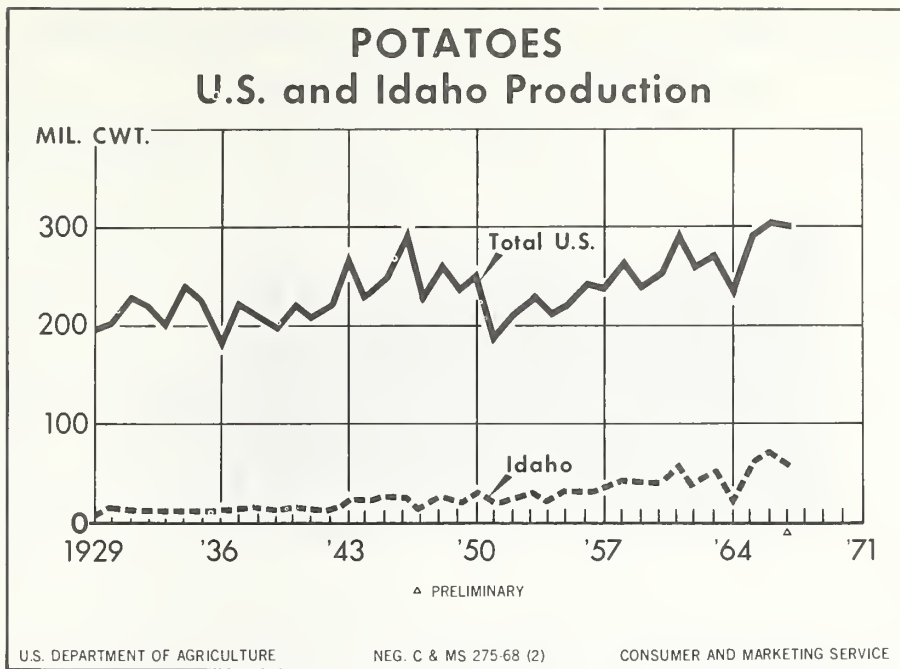


Figure 8

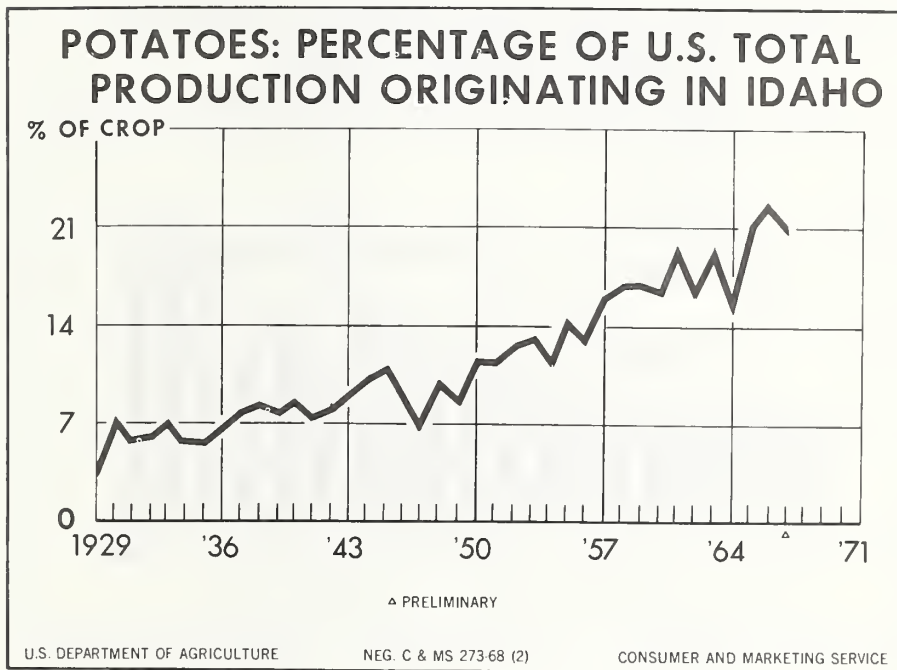


Figure 9

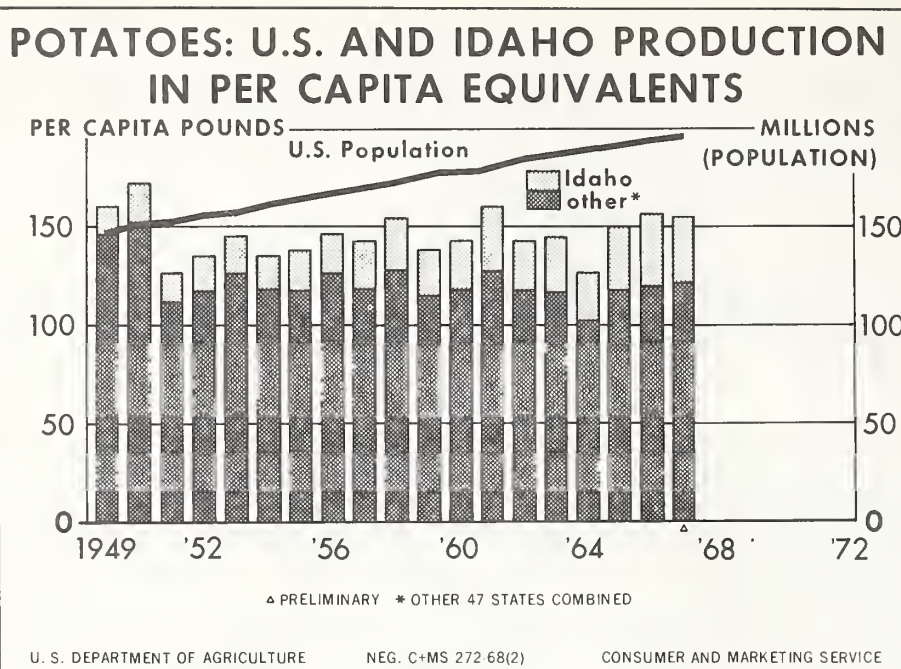


Figure 10

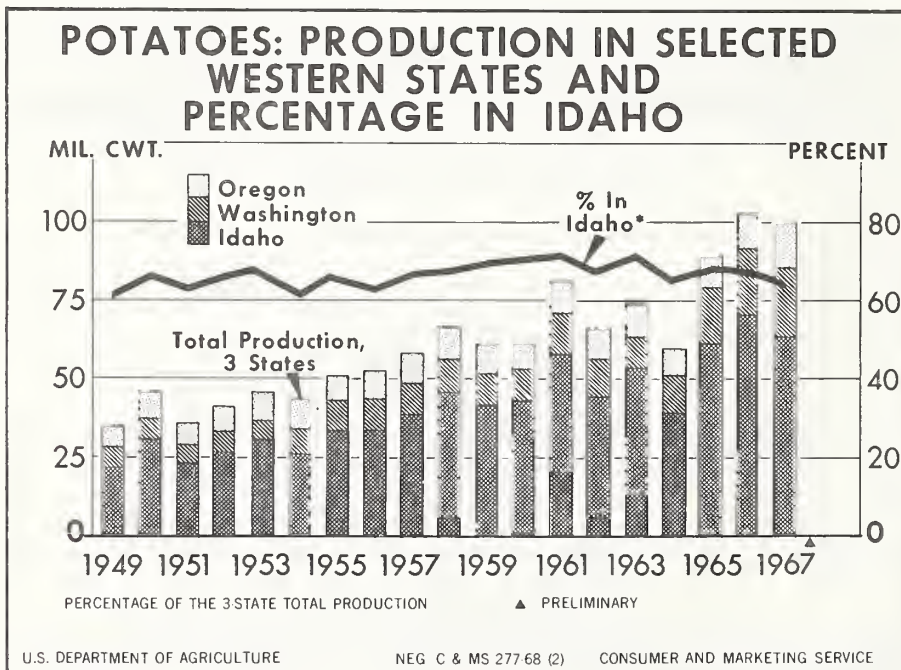


Figure 11

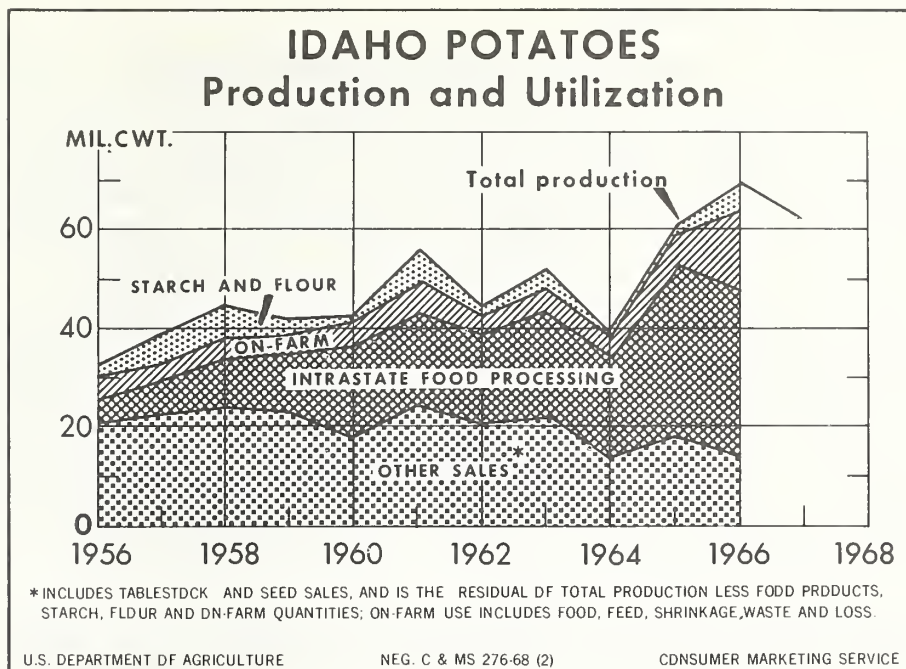


Figure 12

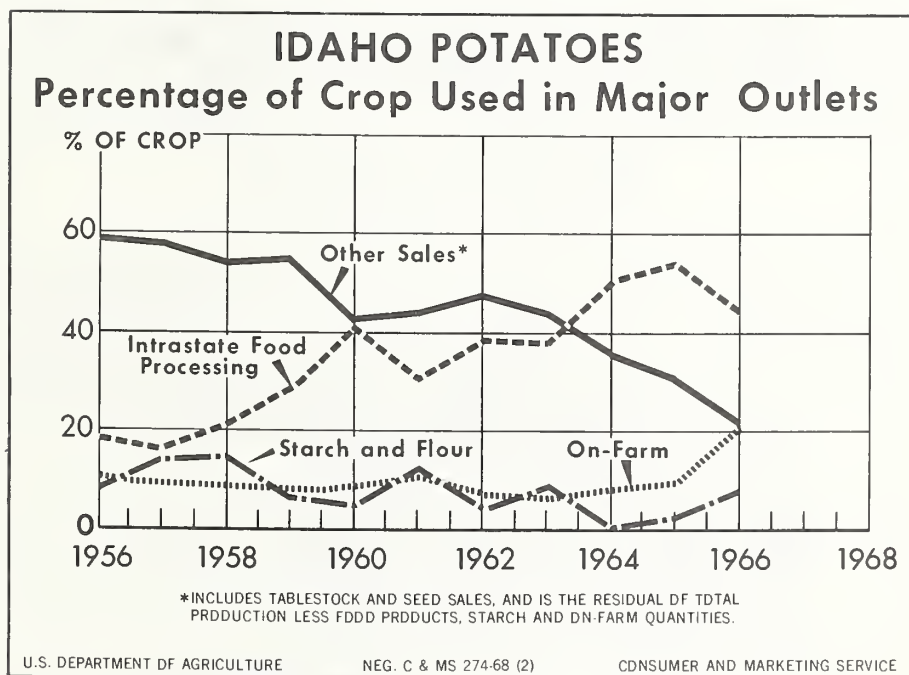


Figure 13

V. STATE SUMMARIES (CONTINUED)

Maine: Maine, second in rank among the States in potato production, produced almost 13 percent of the 1967 U.S. total crop and 16 percent of the fall crop. For several years, total potato plantings in Maine have held within a relatively narrow range. However, acreage was increased slightly in 1967, to 161,000 acres. Yield per acre, at 240 hundredweight, was unchanged compared with a year earlier. Total production was 38.2 million hundredweight, slightly above 1966 (see Figure 14).

The Maine crop consists mostly of round white varieties plus a small amount of the Russet Burbank variety. In 1966-67, Maine potato shipments to fresh market and certified seed outlets combined amounted to 32,600 carlot equivalents. Shipments in the current season have been at a much slower rate than last season. A substantial quantity of Maine potatoes are used by intrastate freezers for manufacture of frozen french fried potatoes and other frozen items. In addition, Maine starch processors used almost 3,100 carlot equivalents from the 1966 crop.

Potato prices in Maine have had wide swings in successive years. Total value of sales peaked in 1964, at almost \$133 million. Crop values in 1965 and 1966, however, were down sharply compared with the 1964 peak.

The overall demand for Maine potatoes in fresh market and seed outlets is relatively static. But some growth is anticipated in use of potatoes by intrastate processors.

The 1968 acreage guide for Maine is a planted acreage 6 percent less than in 1967. With average yield on the recommended acreage, total production in 1968 would be slightly less than in 1967.

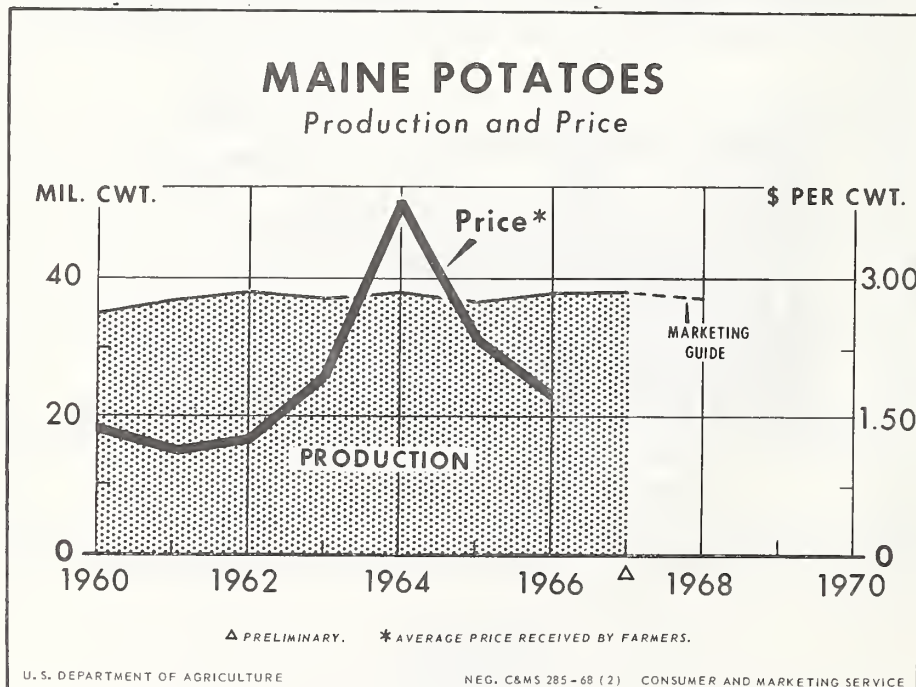


Figure 14

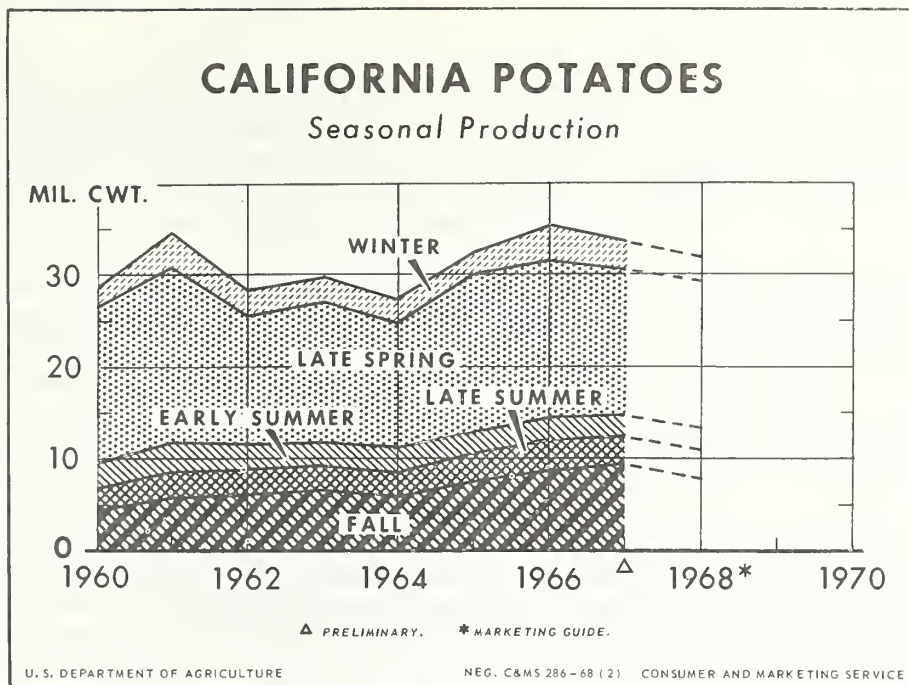


Figure 15

V. STATE SUMMARIES (CONTINUED)

California: In 1967, California ranked third among the States in potato production. California potatoes are harvested year-round. The 1967 production was down slightly compared with 1966 (see Figure 15). Last year, 48 percent of the crop was harvested in the late spring, 28 percent in the fall, 9 percent in the late summer, 8 percent in the winter and 7 percent in the early summer.

The early summer crop is concentrated in Riverside and San Bernardino Counties, and the late summer in the delta and coastal areas. Most of the summer crop moves into local table and chip markets. The fall crop is concentrated in Modoc and Siskiyou Counties plus central and coastal areas. Most of the fall crop is shipped to western table markets. Modoc and Siskiyou Counties, which produce about two-fifths of the fall crop, are covered under the Oregon-Northern California potato marketing order.

In 1967, the early summer and late summer crops returned below-average prices to California growers. This was partly the result of delay in harvest and bunching in supplies in competing areas. The 1967 California fall production was a record. And with heavy supplies also in nearby western States, California's 1967-68 farm potato price is down sharply compared with 1966-67.

In 1968, no change is recommended in California's early summer acreage. But the 1968 guide recommends 10 percent less for both late summer and fall potato plantings.

V. STATE SUMMARIES (CONTINUED)

Washington: Washington ranks fourth among the States in potato production. Potato plantings in Washington have trended upward sharply with a record 64,000 acres planted in 1967, up one-tenth compared with 1966. Washington yield per acre in 1967, at 345 hundredweight, was the highest in the Nation but was down from the 376 hundredweight reported in 1966.

Washington production in 1967 was 22.1 million hundredweight and 67 percent more than the 1961-65 average. The share of the 1967 Washington total crop harvested in the fall was up moderately compared with a year earlier; there was a corresponding decrease in the late summer harvest. Most of the potatoes grown in Washington consist of the long variety, including the Russet Burbank and the Norgold Russet.

During 1966-67, the State of Washington Potato Committee reported that 34 percent of the 1966 total crop, which complied with marketing order regulations, was shipped to interstate food-seed markets. In addition, 58 percent was used by intrastate processors for freezing and dehydrated products. The remaining 8 percent was used mostly for chips, starch, and livestock feed.

The 1967-68 cumulative shipments to interstate markets is moderately below last season. Use by dehydrators is down sharply. But freezer demand is up substantially. Grower prices in Washington continue to average below two cents per pound (see Figure 16).

Demand for 1968 Washington fresh potatoes in interstate table markets is expected to show little change. But the tonnage used by intrastate processors is likely to continue to trend upward.

The 1968 guide calls for a 15 percent reduction in Washington acreage.

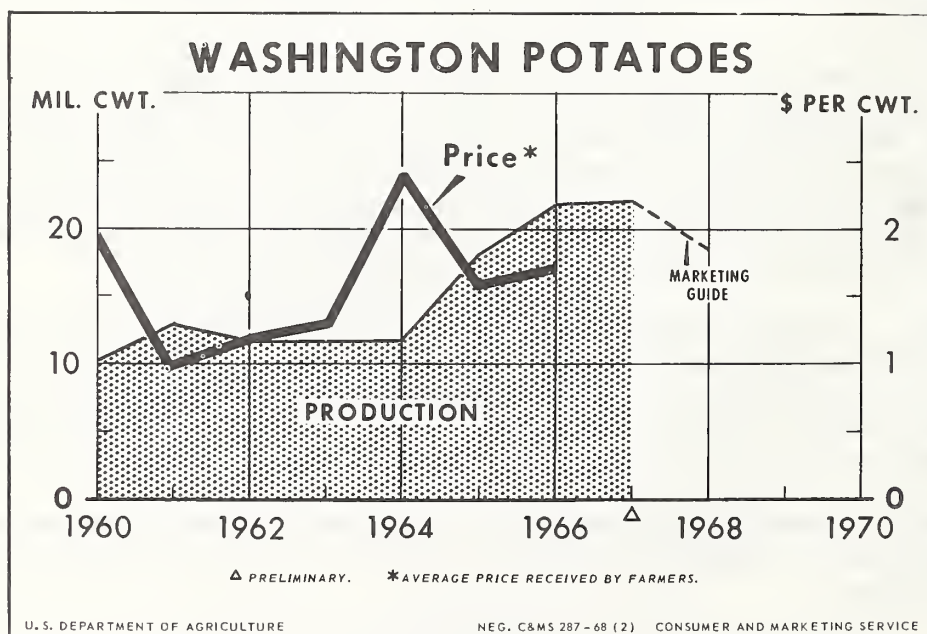


Figure 16

V. STATE SUMMARIES (CONTINUED)

New York: In 1967, total potato acreage in New York was record-low and about half the total reported in the late 1940's. Yield per acre, which has held relatively stable for several years, was well above the U.S. average. Total production in 1967, at 17.8 million hundredweight, ranked among the State's smaller crops (see Figure 17). New York ranked fifth among the States in 1967 production.

Upstate: The Upstate acreage was record-low in 1967. Although, yield was high, total production was well below the previous year, and the 1961-65 average. Weather was unfavorable for 1967 harvest in the Upstate area, and there was some crop loss.

Although the 1967 Upstate crop was about in line with market needs, heavy potato supplies in competing areas resulted in low winter prices for Upstate potatoes.

Long Island: Potatoes are harvested on Long Island in both the late summer and fall. The 1967 late summer production was 1.5 million hundredweight, down from 2.3 million in 1966. The decrease was due to a shift of some late summer acreage into the fall season because of late harvest. As a result, the 1967 fall crop at 8.0 million hundredweight was up 5 percent from 1966.

Slow winter market demand for potatoes, both on Long Island and in competing areas, has resulted in low farm prices for 1967 Long Island potatoes.

A slight reduction is recommended in 1968 potato acreage in New York, both on Long Island and in the Upstate area.

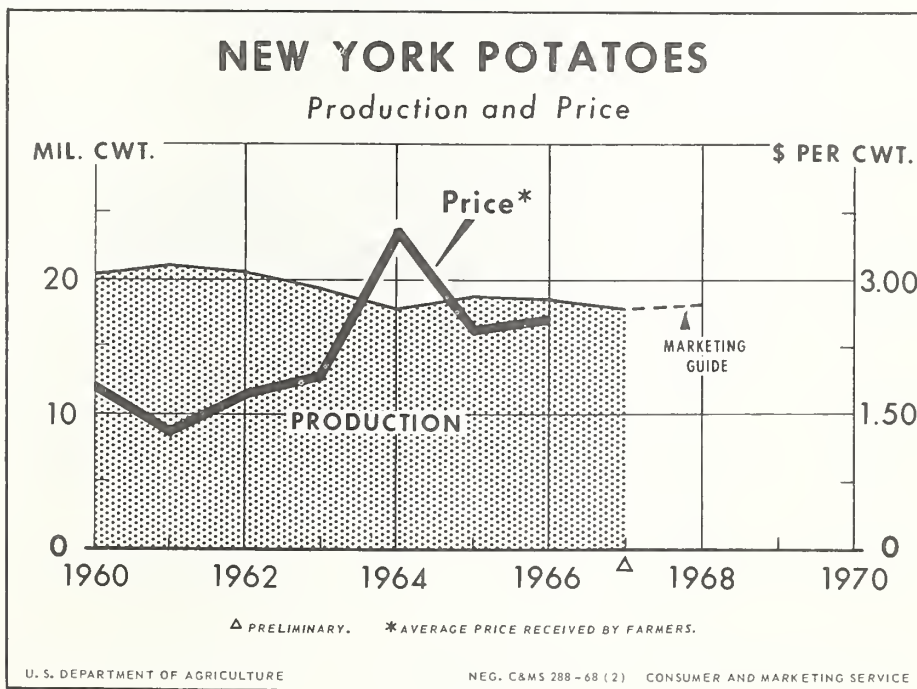


Figure 17

V. STATE SUMMARIES (CONTINUED)

Minnesota and North Dakota (Red River Valley): The Red River Valley area of Minnesota is the source of approximately 70 percent of the State's total potato crop; and 98 percent of the North Dakota production was in the "Valley", according to 1964 potato census data. Minnesota and North Dakota ranked sixth and seventh among the States in 1967 production.

Total potato acreage in Minnesota and North Dakota has shown relative stability for several years. Yield per acre in both States is well below the U.S. average. Total production in Minnesota in 1967, at 13.5 million hundred-weight was slightly above 1966. North Dakota had a low yield and total production, at 13.4 million, was down moderately from 1966 (see Figures 18 and 19).

The bulk of the two-State crop consists of round reds and round white varieties. The Valley crop moves to intrastate food processors, and interstate fresh table and chip markets. In addition, the Valley is a major source of certified seed potatoes. Recent use of the North Dakota crop included about 50 percent sold in table market outlets, 25 percent sold for seed, 15 percent was used by food processors, and 10 percent was accounted for on farms where grown.

Except in 1964 when prices were extremely high, the average price received by Valley growers has been below 2 cents per pound. Prices received by Valley growers this winter have been substantially below last winter.

The 1968 guide for Minnesota is an acreage 2 percent less, and in North Dakota, 5 percent less than the respective plantings in 1967.

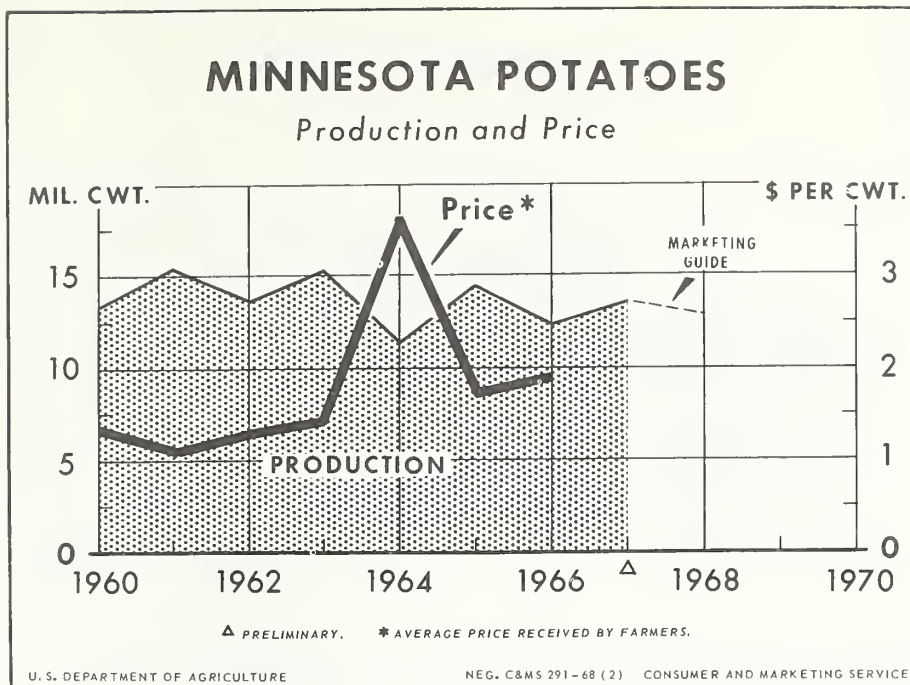


Figure 18

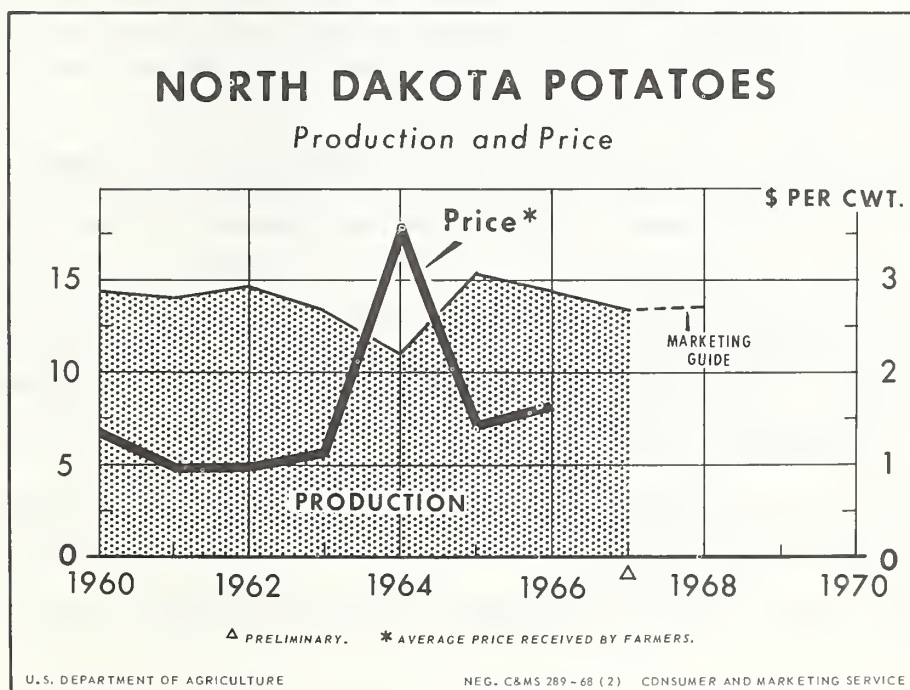


Figure 19

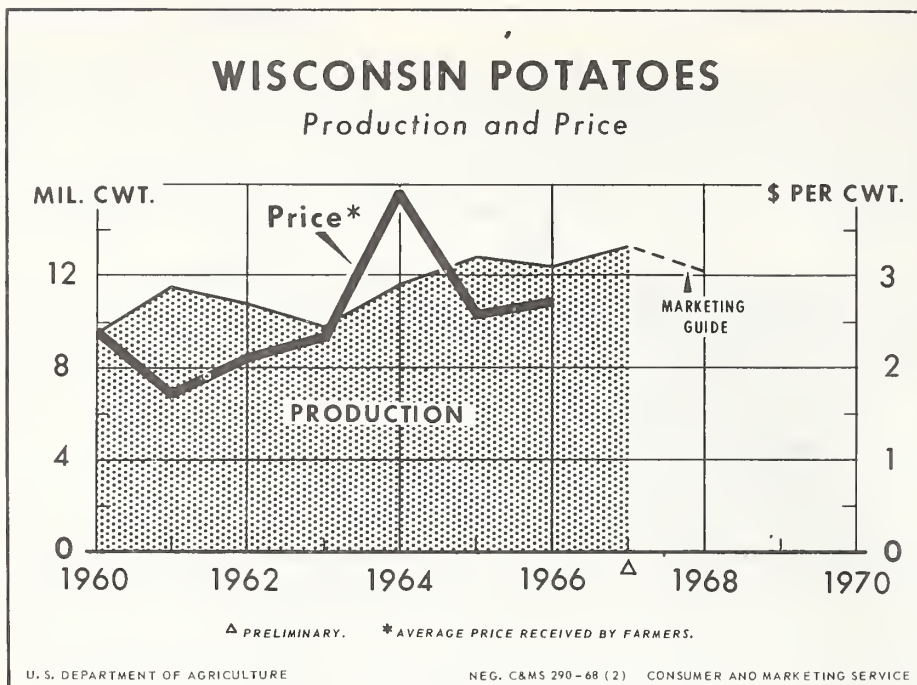


Figure 20

V. STATE SUMMARIES (CONTINUED)

Wisconsin: Although acreage in Wisconsin was reduced moderately in 1967, yield per acre was a record, and production in 1967 (see Figure 20) was the highest since 1934. The Wisconsin crop consists of round reds and round whites, as well as the Russet Burbank variety.

In the 1964 census of agriculture, Portage County farmers reported a potato production of 3.9 million hundredweight and Langlade County, 2.1 million. The two-county total accounted for approximately 50 percent of the State's crop.

Wisconsin is a major supplier of table and seed potatoes, and is an important source of potatoes for chipping. Chicago is the leading outlet for Wisconsin potatoes. But substantial quantities move to markets in the central and southern region including Milwaukee, St. Louis, Detroit, Indianapolis, Atlanta and Birmingham.

Due partly to heavy supplies in competing States, Wisconsin potato prices during 1967-68 have been off sharply compared with the previous season.

The 1968 acreage guide for Wisconsin is an acreage equal to 1967.

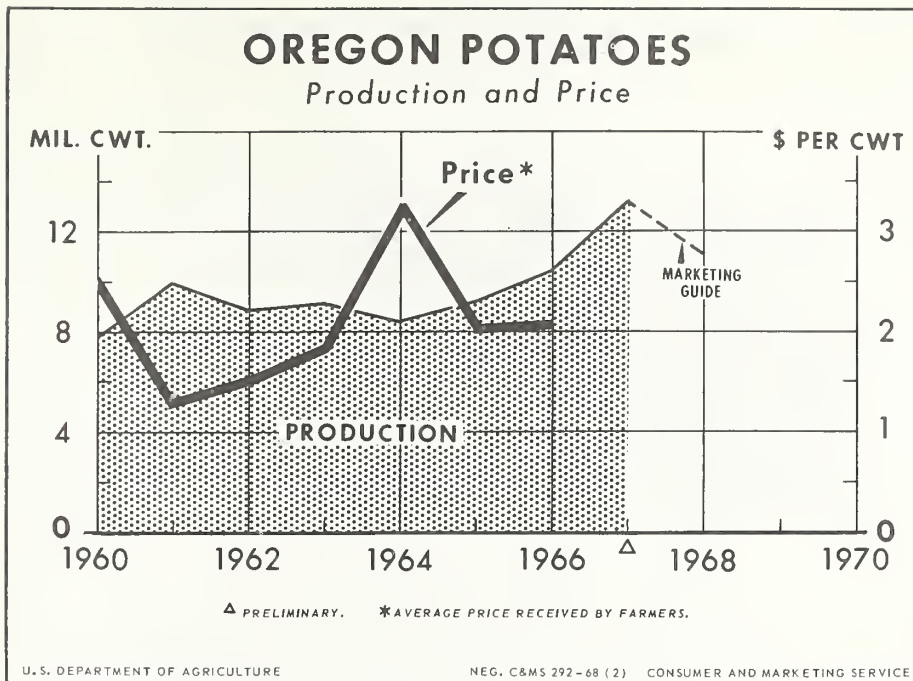


Figure 21

V. STATE SUMMARIES (CONTINUED)

Oregon: Potato acreage, yield, and production attained record levels in Oregon in 1967. The 1967 output was 28 percent above 1966 (see Figure 21). The Oregon crop is concentrated in Malheur County and the Klamath Basin. In the 1964 census of agriculture, almost 36 percent of the State's crop originated in Malheur County, with Jefferson and Klamath Counties each reporting 25 percent.

Processors use a substantial amount of the Malheur County crop. The Klamath Basin sales are mostly in the table market outlets. Oregon potatoes are distributed widely including eastern cities, but West Coast markets, including San Francisco and Los Angeles, are the principal outlets.

As a result of heavy potato supplies in Oregon and throughout the West, Oregon potato grower prices have been depressed this winter.

The 1968 guide for Oregon is a total planted acreage 12 percent less than in 1967.

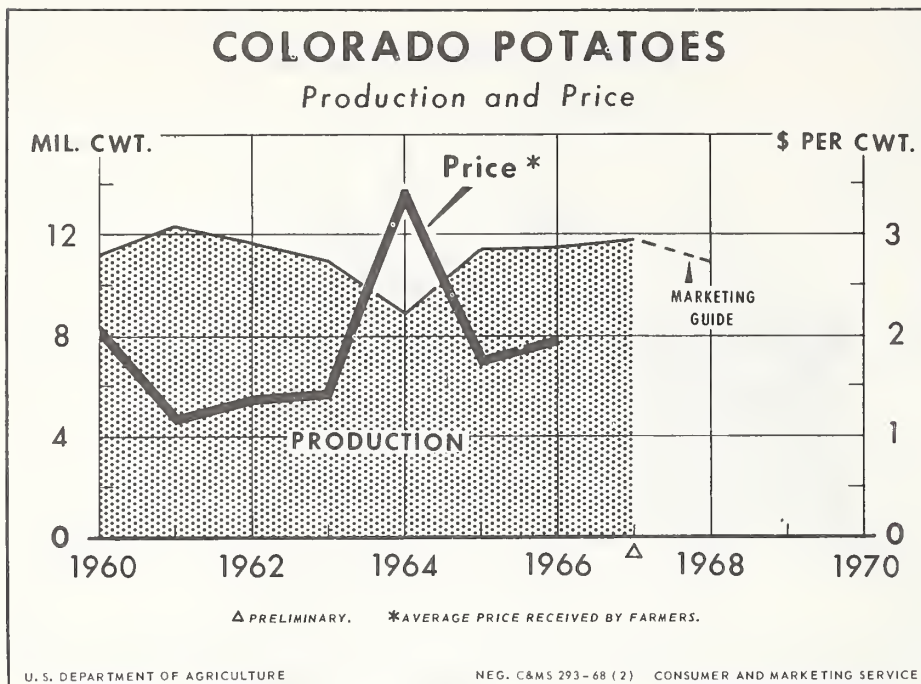


Figure 22

V. STATE SUMMARIES (CONTINUED)

Colorado: Potato acreage in Colorado has held within a narrow range. But yield per acre has trended upward. The 1967 production was slightly below the State record in 1961 (see Figure 22). The late summer crop originates in the Greeley area, and the fall crop is concentrated in the San Luis Valley. Colorado potatoes move largely to table and chip markets. With competition from heavy potato supplies through the West, Colorado 1967-68 winter potato prices have been relatively low.

In 1968, a slight reduction in recommended in Colorado potato acreage.

VI. U.S. POTATO TRENDS

Some of the trends in the potato industry considered in the preparation of the potato acreage marketing guides are described in the commentary and charts that follow.

The U.S. total potato acreage in both 1966 and 1967 was just under 1.5 million acres. As shown in Figure 23, total potato plantings during the last decade held within a relatively narrow range. The percentage of the total acreage originating in the fall crop States has trended upward, and in 1967 was 75 percent of the total.

Potato yields, which trended upward during the 1950's, have stabilized in the 1960's (see Figure 24). The U.S. 1967 average yield is indicated at 210 hundredweight per acre. This compares with 178 hundredweight in 1957 and 117 in 1947. Over this period, substantially higher yields in the western fall crop States have contributed heavily to the overall increase. Average yields have been increased sharply in Washington, Oregon, and Colorado as well as in the 10 S.W. Counties of Idaho.

The U.S. total potato production in 1967 is indicated at 306 million hundredweight, slightly less than the 1966 record of 307 million. Extremes in temperature and rainfall in the fall group of States resulted in a relatively small crop in 1964. Most of the U.S. potato crop originates on 14,646 farms, each growing 10 or more acres of potatoes, according to data compiled in the 1964 census of agriculture.

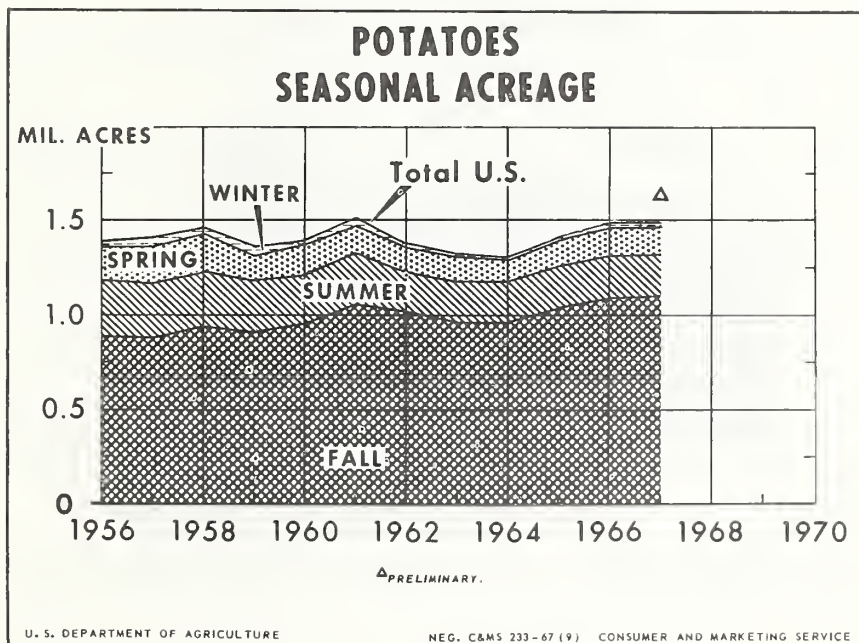


Figure 23

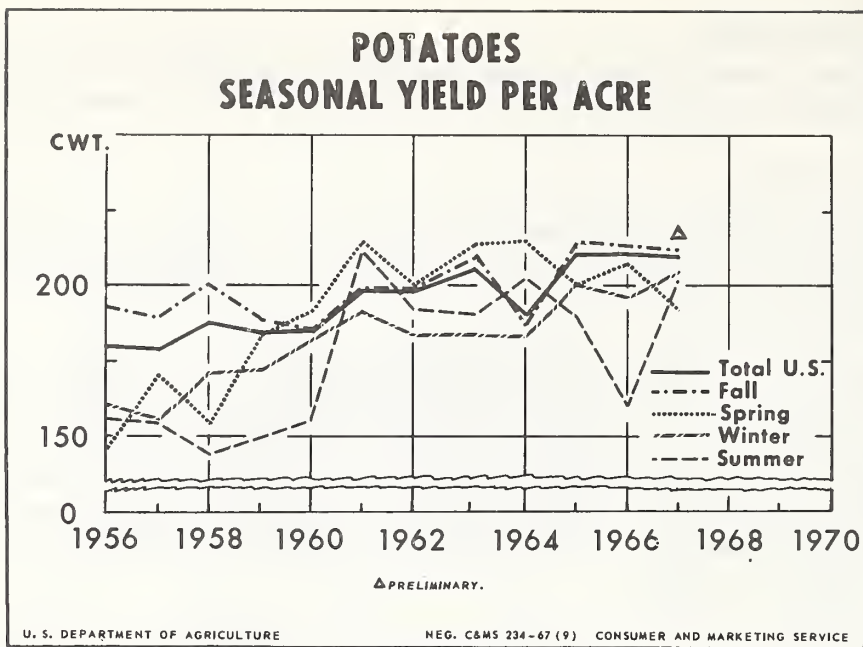


Figure 24

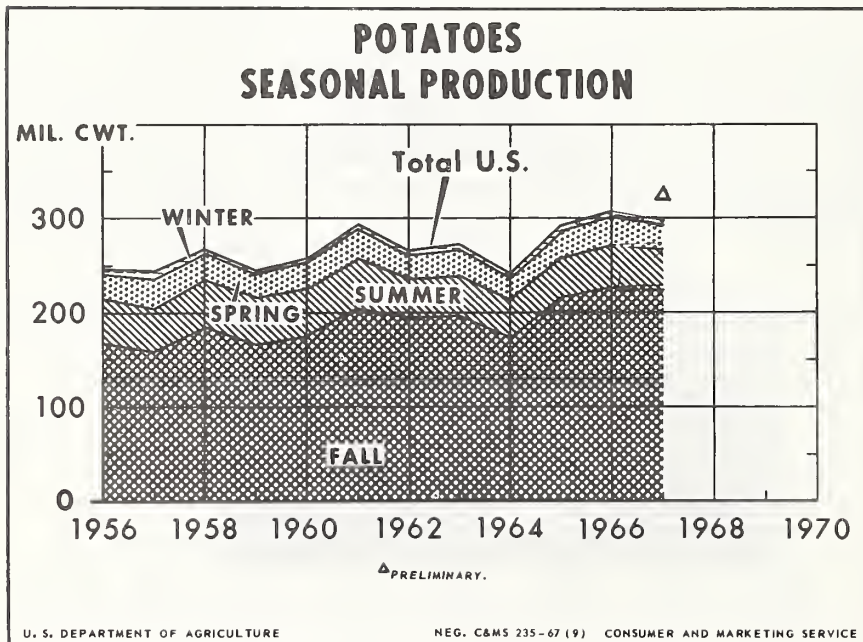


Figure 25

Consumers purchase about the same quantity of fresh potatoes from one year to the next. Their consumption changes little even though potato prices change substantially. However, consumer purchases of processed potatoes can be stimulated by varying price levels for these products. Thus, consumer demand for fresh potatoes is highly inelastic but that for processed products is elastic.

Reflecting the predominant inelastic demand, the "short" 1964 crop sold at a high price and value of sales was a record (see Figure 26). Value declined in 1956 and 1966 when the crops were large.

Food and seed markets utilize most of the annual crops (see Figure 27). These two outlets combined accounted for 83 percent of the total production in 1966, when the crop was large, and 91 percent in 1964 when the crop was relatively small.

The residual potato supplies are used for starch, flour and livestock feed. These supplies result because of either over-supply or lack of size or quality in non-marketable potatoes. The shrinkage, waste, and loss category include all other utilization of potatoes, including those left in the field, due either to bad weather and poor markets, and the weight loss incident to storing.

Trends in food use both fresh and processed are shown in Figure 28 (see also Figure 29 and Figure 30). The national total use of food potatoes increased 30 percent from 1956 to 1965, or from 180 million hundredweight to 234 million hundredweight. Total food use declined slightly in 1966, to 232 million hundredweight.

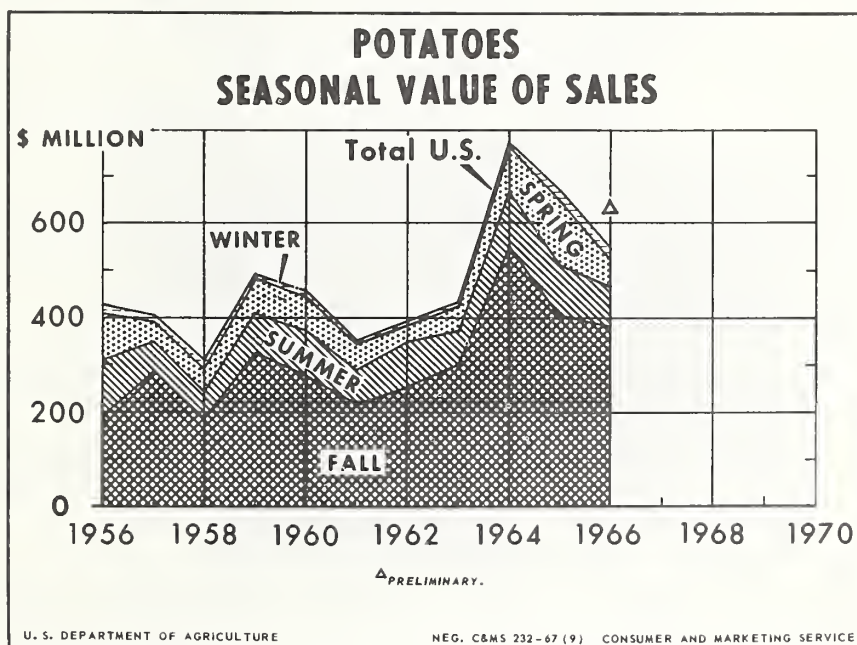


Figure 26

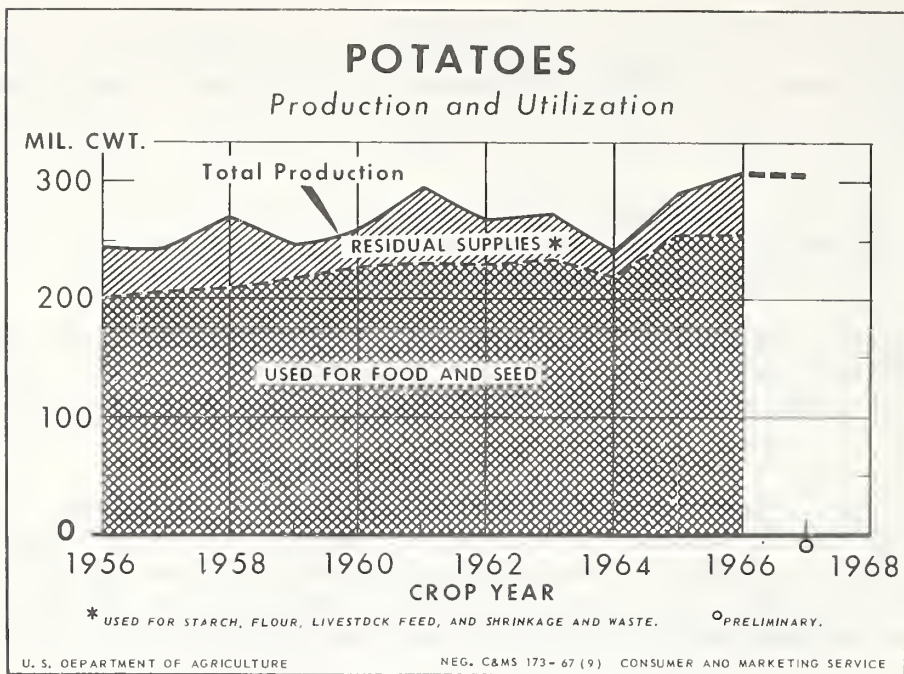


Figure 27

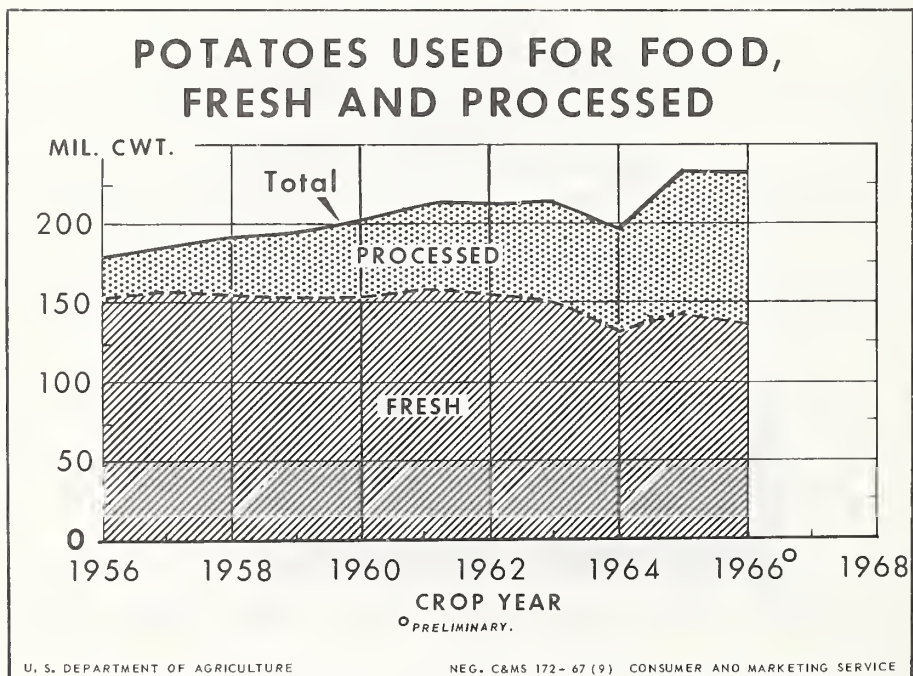


Figure 28

The growing market for processed potato products has paralleled the upward trend in consumer total disposable income. Also, the increased availability of processed potato products occurred at a time when consumers were (and are) receptive to an increasing use of prepared and semi-prepared foods in the home.

The quantity of potatoes used for processed potato products quadrupled between 1956 and 1966. As outlined in Figure 29 below, processed use as a percentage of total potatoes used for food had increased to 41 percent by 1966, and the fresh share had declined to 59 percent.

The quantity of potatoes used in frozen products more than doubled between 1962 and 1966 (see Figure 30, also Figure 34). Processors of frozen products used almost 40 million hundredweight from the 1966 crop compared with 18 million in 1962. One-sixth of the total potato food use in 1966 consisted of frozen products, largely frozen french fries.

The quantity of potatoes used for chips and shoestrings increased about 50 percent between 1961 and 1966. In a recent count by the Statistical Reporting Service there were 327 potato chip plants in the United States.

The quantity of fresh potatoes used in dehydrated potato products doubled in 1965 compared with 1964. Dehydrator demand for fresh potatoes is likely to trend upward.

The inverse trends in the use of fresh and processed potatoes have been about offsetting. And total per capita use of potatoes has stabilized. During the past 5 years, per capita use averaged about 110 pounds (see Figure 31). During the next several years, the total per capita use of potatoes is expected to show little change.

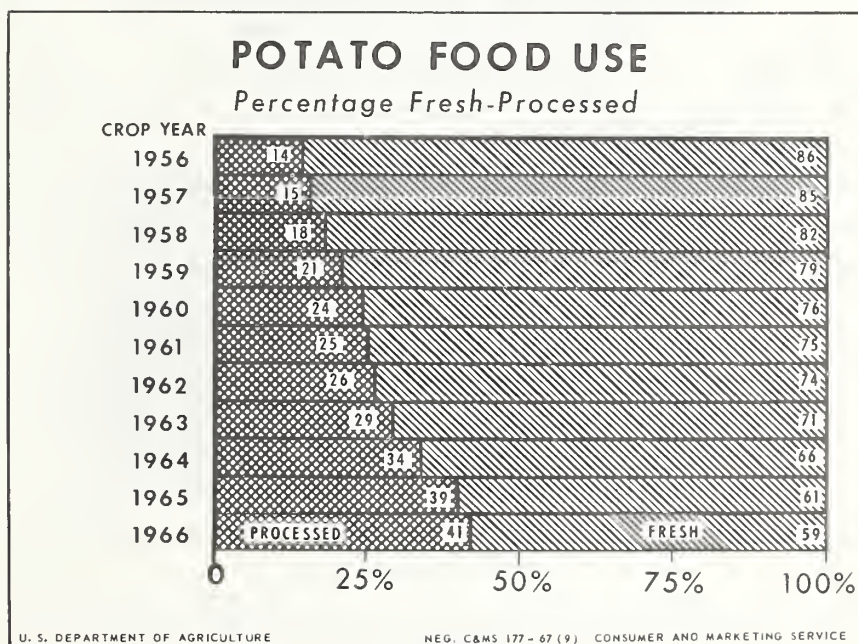


Figure 29

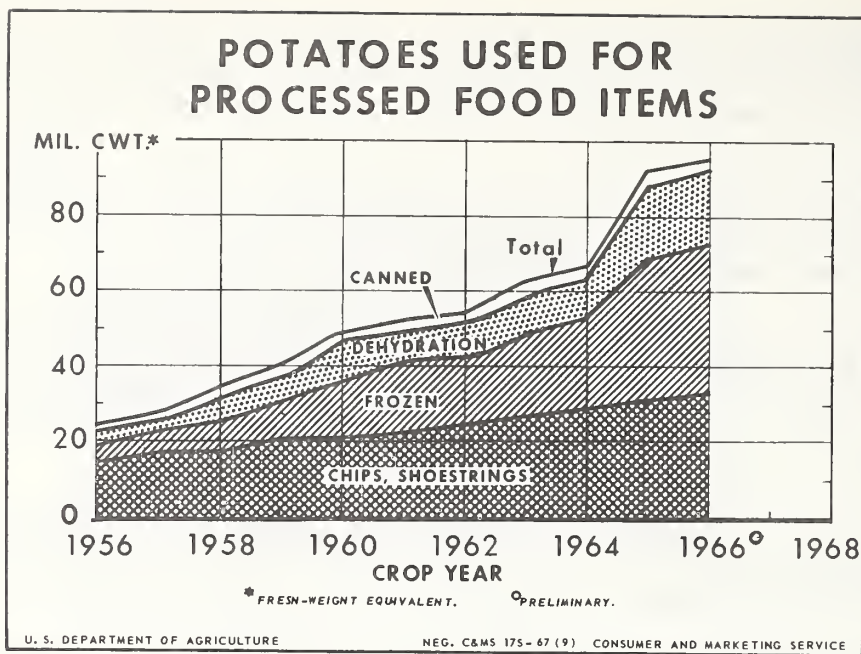


Figure 30

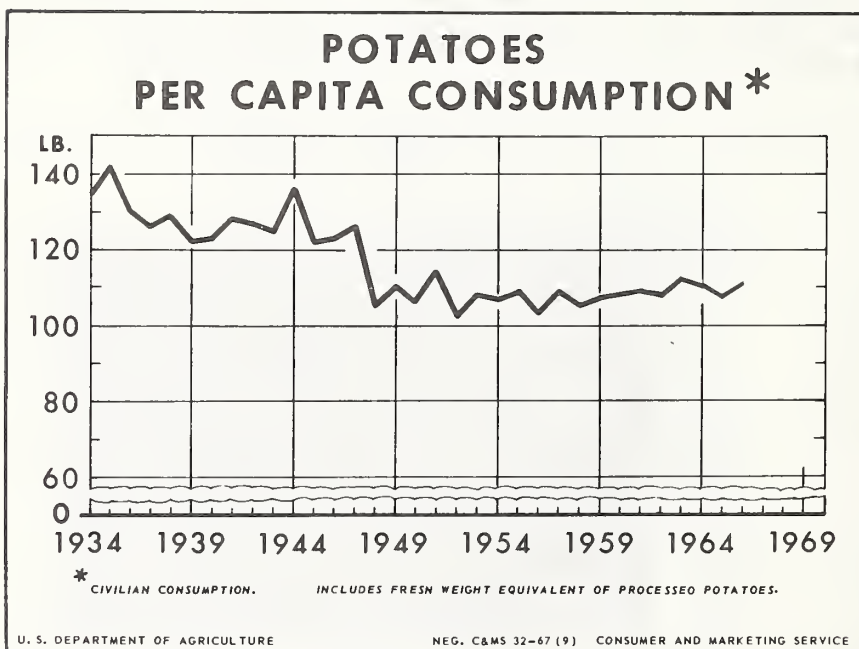


Figure 31

The national average seeding rate for potatoes is about 16 hundredweight per acre. However, the seeding rate varies greatly among the producing areas. To plant the 1967 crop, the total seed used from the 1966 crop was 24.3 million hundredweight, the highest seed disappearance in a decade (see Figure 32 below). Total seed requirement is expected to show a slight uptrend because the average seeding rate is likely to increase as is the total acreage planted.

U.S. fresh potato exports exceeded imports in 6 of 11 recent quota years (see Figure 33). Most of this trade takes place with Canada. Domestic growers use substantial quantities of Canadian seed potatoes. During the 1962-66 quota years, U.S. potato (fresh) exports averaged 2.5 million hundredweight, and imports, 2.0 million. The net export balance was approximately 500,000 hundredweight.

In addition to fresh exports, U.S. exports of dehydrated potatoes during 1967 amounted to 7.7 million pounds. This compared with 13.8 million pounds in 1966.

Cold storage holdings of frozen french fried potatoes usually peak in the late spring (see Figure 34). Holdings were a record 508 million pounds on April 30, 1967. This was 8 percent more than the prior record in April, 1966. Frozen potato holdings decline during the summer months because processors of frozen products suspend operations when nearby supplies of fresh potatoes are not available.

Total output of frozen potato products in 1966 was 1.46 billion pounds, according to the National Association of Frozen Food Packers. This included 1.28 billion pounds of frozen french fried and .18 billion pounds of other frozen potato products.

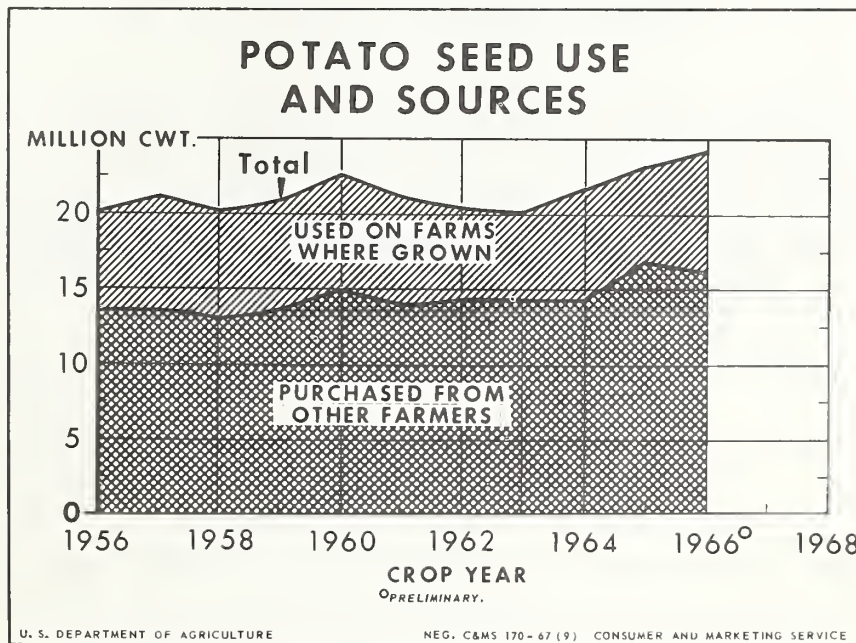


Figure 32

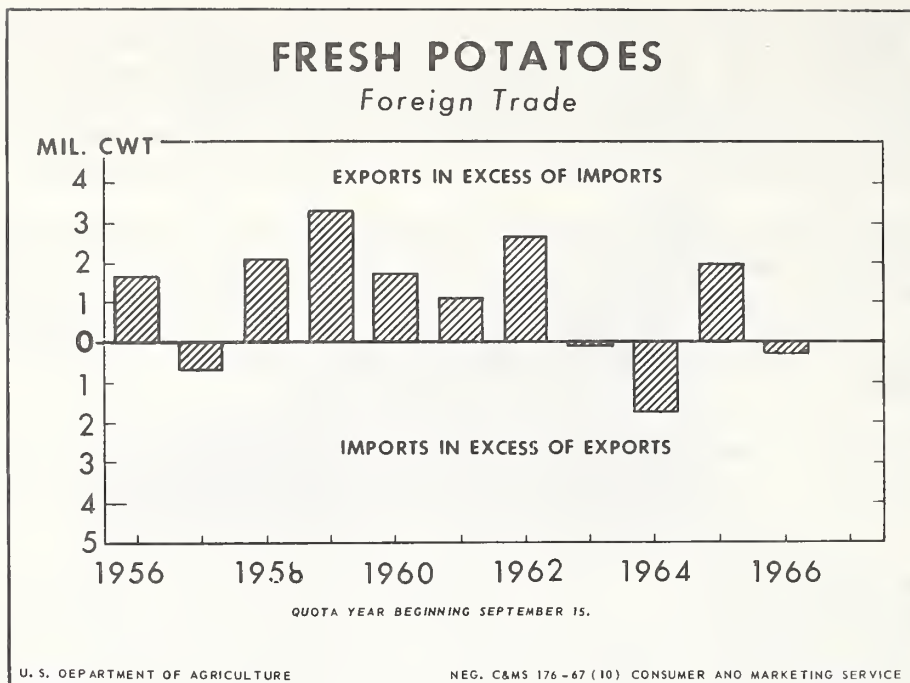


Figure 33

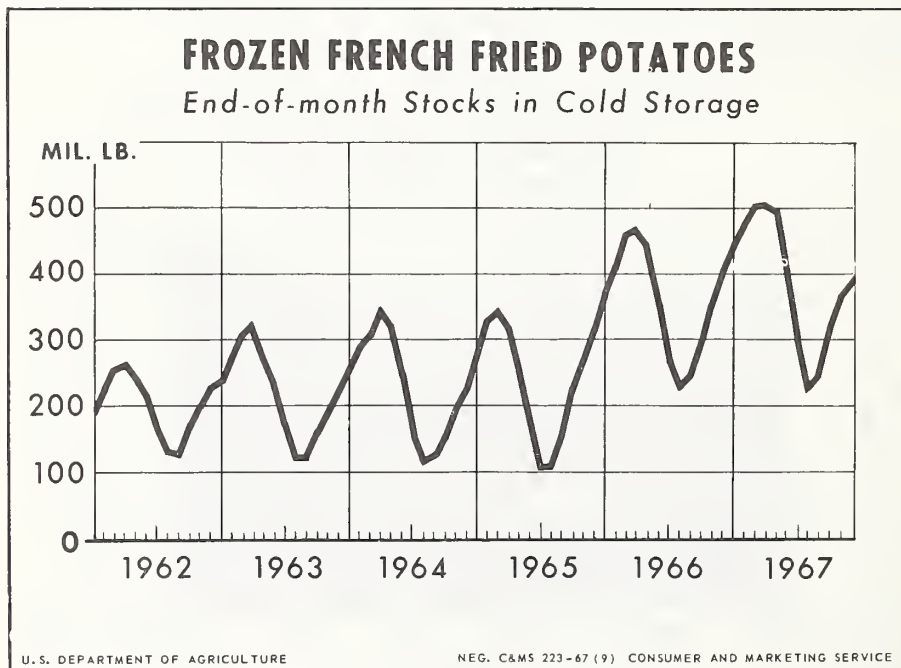


Figure 34

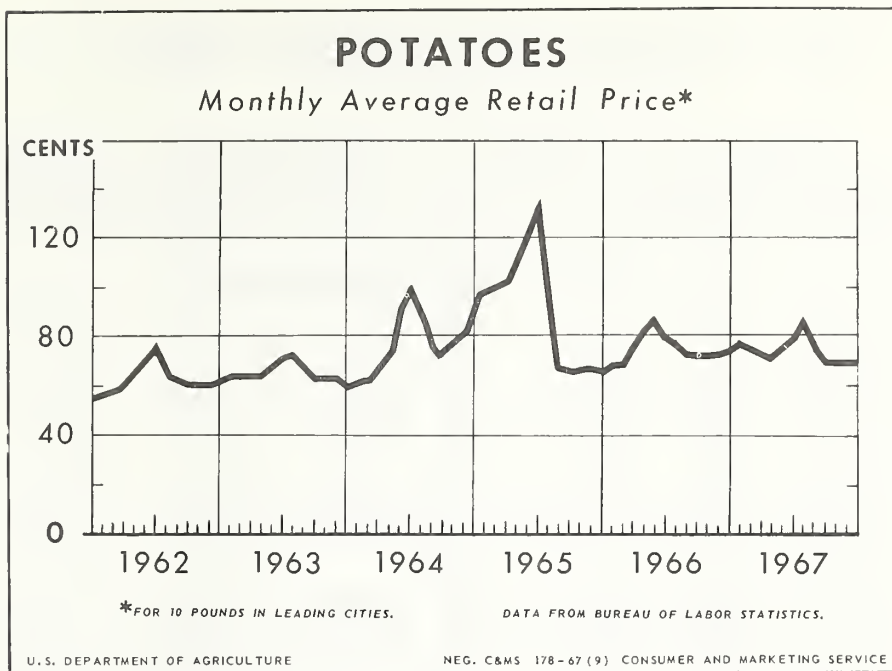


Figure 35

In 1967 the average retail price for potatoes was 7.5 cents per pound. Following a short storage crop in 1964-65, and dry weather that held down 1965 new crop production, an acute potato supply gap developed in June and early July, 1965. And in July 1965, the average retail price increased to a 13-year high of 13.5 cents per pound (see Figure 35).

Potatoes are a good "buy", particularly when potato retail prices are adjusted for the upward trend in net disposable income of consumers. The farmers' share of the retail cost of potatoes during October-December, 1967 was estimated at 25 percent. The farm-retail spread of 75 percent included the marketing bill for transporting, wholesaling, retailing, plus intermingled handling expenses. A profit, of course, is sought, at each stage in the distribution channel.

A summary of potato shipping point prices, based on Market News reports, is shown on page 38.

Potato production and use are shown on page 39.

Table 6.--Potatoes: Monthly average shipping point
prices, selected States, 1966-67 and 1967-68
(U.S. No. 1 or better)

Month	Idaho		Colorado		Long Island		Michigan	
	: Russet Burbanks :		: Reds :		: Round Whites :		: Round Whites :	
	:1966-67	1967-68:	1966-67	1967-68:	1966-67	1967-68:	1966-67	1967-68
	<u>\$ per hundredweight</u>							
August	2.52	2.64	2.49	2.20	2.92	2.78	2.76	2.48
September	3.58	2.61	2.38	2.21	2.98	2.20	2.48	1.96
October	3.53	2.85	2.29	2.20	3.12	2.04	2.88	1.98
November	3.80	2.94	2.35	2.10	3.08	2.28	3.08	2.20
December	3.77	2.70	2.34	1.98	3.00	1.76	2.76	2.10
January	4.19	2.68	2.99	1.88	3.00	1.90	2.84	1.90
February	3.68	2.50	2.80	1.82	2.66	1.60	2.70	1.80
March	3.28	2.52*	2.42	2.05*	2.30	1.50*	2.82	1.65*
April	2.71	----	2.26	----	2.10	----	----	----

* Through March 9, 1968.

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